

## RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS  
SUPPORTING SENATE BILL 156**

**WHEREAS**, SB 156 would enact the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2008, for submission to the voters at the 2008 statewide primary election, and

**WHEREAS**, if approved by the voters, \$4 billion in funds would be made available for the construction and renovation of public library facilities in California, and

**WHEREAS**, reading and literacy skills are fundamental to success in our economy and our society, and libraries serve as a community's only public access to resources for learning and expansion of access to reading and literacy programs for all residents, and

**WHEREAS**, many of California's libraries are dated, inadequate, and in need of rehabilitation, the construction and renovation of library facilities would expand access to reading and literacy programs throughout the state.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Milpitas does hereby offer its support of California State Senate Bill 156 and urges the legislature to amend SB 156 to include funding for unfunded Proposition 14 Cycle 3 grant applicants including local communities in Santa Clara County.

**PASSED AND ADOPTED**, this \_\_\_\_\_ day of May, 2007.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Steven T. Mattas, City Attorney

**Introduced by Senator Simitian**  
(Principal coauthor: Assembly Member Wolk)

January 30, 2007

---

An act to add Chapter 12.5 (commencing with Section 20020) to Part 11 of Division 1 of Title 1 of the Education Code, relating to financing a public library construction and renovation program by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California, and by providing for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 156, as introduced, Simitian. California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2008.

Existing law establishes the California Library Construction and Renovation Bond Act of 1988 and the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000. Existing law authorizes the issuance of bonds, pursuant to the State General Bond Law, in the amount of \$75,000,000 in the 1988 act and in the amount of \$350,000,000 in the 2000 act, for the purpose of financing library construction and renovation.

This bill would enact the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2008, for submission to the voters at the 2008 statewide primary election. The bill, if approved by the voters, would authorize the issuance, pursuant to the State General Bond Law, of bonds in the amount not to exceed a total of \$4,000,000,000 for the purpose of financing library construction and renovation pursuant to a program administered by the State Librarian.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Chapter 12.5 (commencing with Section 20020)  
2     is added to Part 11 of Division 1 of Title 1 of the Education Code,  
3     to read:

4  
5             CHAPTER 12.5. CALIFORNIA READING AND LITERACY  
6             IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND  
7             RENOVATION BOND ACT OF 2008

8  
9             Article 1. General Provisions

10  
11     20020. This chapter shall be known and may be cited as the  
12     California Reading and Literacy Improvement and Public Library  
13     Construction and Renovation Bond Act of 2008.

14     20021. The Legislature finds and declares the following:

15     (a) Reading and literacy skills are fundamental to success in  
16     our economy and our society.

17     (b) Public libraries are a vital part of the educational system.  
18     They provide resources and services for all residents of California,  
19     including preschoolers, out-of-school adults, senior citizens, and  
20     those attending schools at all levels.

21     (c) In many cases, libraries serve as a community's only public  
22     point of access to resources for learning and by extension,  
23     self-sufficiency.

24     (d) The construction and renovation of public library facilities  
25     is necessary to expand access to reading and literacy programs in  
26     California's public education system and to expand access to public  
27     library services for all residents of California.

28     (e) The need for library facilities continues to grow. A recent  
29     needs assessment compiled by the State Library found that there  
30     is a need for over four billion dollars (\$4,000,000,000) in public  
31     library funding.

32     (f) In March 2000, California voters approved a bond measure  
33     of three hundred fifty million dollars (\$350,000,000) for library  
34     construction and renovation.

1 (g) Due to the overwhelming response by applicants, the  
2 California Public Library Construction and Renovation Board was  
3 forced to deny approximately 75 percent of all applications due to  
4 lack of additional bond funding.

5 20022. As used in this chapter, the following terms have the  
6 following meanings:

7 (a) "Committee" means the California Library Construction and  
8 Renovation Finance Committee established pursuant to Section  
9 19972 and continued in existence pursuant to Section 20040 for  
10 the purposes of this chapter.

11 (b) "Fund" means the California Public Library Construction  
12 and Renovation Fund of 2008 established pursuant to Section  
13 20024.

14 (c) "Board" means the California Public Library Construction  
15 and Renovation Board of 2008 established pursuant to Section  
16 20023.

17 20023. (a) The California Public Library Construction and  
18 Renovation Board of 2008 is hereby established.

19 (b) The board is comprised of the State Librarian, the Treasurer,  
20 the Director of Finance, an Assembly Member appointed by the  
21 Speaker of the Assembly, a Senator appointed by the Senate  
22 Committee on Rules, and two members appointed by the Governor.

23 (c) Legislative members of the board shall meet with, and  
24 participate in, the work of the board to the extent that their  
25 participation is not incompatible with their duties as Members of  
26 the Legislature. For the purpose of this chapter, Members of the  
27 Legislature who are members of the board constitute a joint  
28 legislative committee on the subject matter of this chapter.

29

## 30 Article 2. Program Provisions

31

32 20024. The proceeds of bonds issued and sold pursuant to this  
33 chapter shall be deposited in the California Public Library  
34 Construction and Renovation Fund of 2008, which is hereby  
35 established.

36 20025. All moneys deposited in the fund, except as provided  
37 in Section 20049.5, are continuously appropriated to the State  
38 Librarian, notwithstanding Section 13340 of the Government Code,  
39 and are available for grants to any city, county, city and county,  
40 or library district that is authorized at the time of the project

1 application to own and maintain a public library facility for the  
2 purposes set forth in Section 20026.

3 20026. The grant funds authorized pursuant to Section 20025  
4 and the matching funds provided pursuant to Section 20033 shall  
5 be used by the recipient for any of the following purposes:

6 (a) Acquisition or construction of new facilities or additions to  
7 existing public library facilities.

8 (b) Acquisition of land necessary for the purposes of subdivision  
9 (a).

10 (c) Remodeling or rehabilitation of existing public library  
11 facilities or of other facilities for the purpose of their conversion  
12 to public library facilities. All remodeling and rehabilitation  
13 projects funded with grants authorized pursuant to this chapter  
14 shall include any necessary upgrading of electrical and  
15 telecommunications systems to accommodate Internet and similar  
16 computer technology.

17 (d) Procurement or installation, or both, of furnishings and  
18 equipment required to make a facility fully operable, if the  
19 procurement or installation is part of a construction or remodeling  
20 project funded pursuant to this section.

21 (e) Payment of fees charged by architects, engineers, and other  
22 professionals, whose services are required to plan or execute a  
23 project authorized pursuant to this chapter.

24 (f) Service charges where the services in question are required  
25 by the applicant jurisdiction to be provided by a public works or  
26 similar department, or by other departments providing professional  
27 services where the costs are directly billed to the project pursuant  
28 to this chapter.

29 20028. Any grant funds authorized pursuant to Section 20025,  
30 or matching funds provided pursuant to Section 20033, may not  
31 be used by a recipient for any of the following purposes:

32 (a) Books and other library materials.

33 (b) Administrative costs of the project, including, but not limited  
34 to, the costs of any of the following:

35 (1) Preparation of the grant application.

36 (2) Procurement of matching funds.

37 (3) Conduct of an election for obtaining voter approval of the  
38 project.

39 (c) Except as set forth in this chapter, including, but not limited  
40 to, Section 20048, interest or other carrying charges for financing

1 the project, including, but not limited to, costs of loans or  
2 lease-purchase agreements in excess of the direct costs of any of  
3 the authorized purposes specified in Section 20026.

4 (d) Any ongoing operating expenses for the facility, its  
5 personnel, supplies or any other library operations.

6 20029. All construction contracts for projects funded in part  
7 through grants awarded pursuant to this chapter shall be awarded  
8 through competitive bidding pursuant to Part 3 (commencing with  
9 Section 20100) of Division 2 of the Public Contract Code.

10 20030. This chapter shall be administered by the State  
11 Librarian. The board shall adopt rules, regulations, and policies  
12 for the implementation of this chapter.

13 20031. A city, county, city and county, or library district may  
14 apply to the State Librarian for a grant pursuant to this chapter as  
15 follows:

16 (a) Each application shall be for a project for a purpose  
17 authorized by Section 20026.

18 (b) An application may not be submitted for a project for which  
19 construction bids already have been advertised.

20 (c) The applicant shall request not less than five hundred  
21 thousand dollars (\$500,000) per project.

22 20032. (a) Except as set forth in paragraph (2), an amount of  
23 at least 5 percent of the total bond amount shall be made available  
24 for joint-use projects that meet all of the following requirements:

25 (1) The joint-use project is with one or more public education  
26 institutions. For the purpose of this section, "public education  
27 institution" means any of the following:

28 (A) A school district maintaining any combination of educational  
29 settings from kindergarten to grade 12, inclusive.

30 (B) A county office of education.

31 (C) A community college district.

32 (D) A campus of the California State University.

33 (E) A campus of the University of California.

34 (2) The public education institution or institutions participating  
35 as a joint-use partner or partners provide at least 50 percent of the  
36 35 percent local matching funds required pursuant to subdivision  
37 (a) of Section 20033.

38 (3) Consideration may be given to a proposed joint-use project  
39 to be located in a low-income area.

- 1 (4) Consideration may be given to a proposed joint-use project  
2 to be located in an area in which public schools have low scores  
3 on the Academic Performance Index.
- 4 (b) If, by June \_\_\_\_, 2012, the total dollar amount of all  
5 approved applications for joint-use projects pursuant to this section  
6 exceeds the total dollar amount made available for joint-use  
7 projects pursuant to subdivision (a), joint-use projects may also  
8 be funded from any other funds available to the board under this  
9 chapter.
- 10 (c) If, by June \_\_\_\_, 2012, the total dollar amount of all  
11 approved applications for joint-use projects pursuant to this section  
12 is less than the total dollar amount made available for joint-use  
13 projects pursuant to subdivision (a), any remaining funds under  
14 subdivision (a) shall be made available for any other grants under  
15 this chapter awarded on a competitive basis in the same manner  
16 as set forth in subdivision (a).
- 17 20033. (a) Each grant recipient shall provide matching funds  
18 from any available source in an amount equal to 35 percent of the  
19 costs of the project. The remaining 65 percent of the costs of the  
20 project, up to a maximum of thirty million dollars (\$30,000,000)  
21 per project, shall be provided through allocations from the fund.
- 22 (b) Qualifying matching funds shall be cash expenditures in the  
23 categories specified in Section 20026 which are made not earlier  
24 than five years prior to the submission of the application to the  
25 State Librarian. Except as otherwise provided in subdivision (c),  
26 in-kind expenditures do not qualify as matching funds.
- 27 (c) Land donated or otherwise acquired for use as a site for the  
28 facility, including, but not limited to, land purchased more than  
29 five years prior to the submission of the application to the State  
30 Librarian, may count towards the required 35 percent local fund  
31 contribution at its appraised value as of the date of the application.  
32 This subdivision does not apply to land acquired with funds  
33 authorized pursuant to Part 68 (commencing with Section 100400),  
34 Part 68.1 (commencing with Section 100600), or Part 68.2  
35 (commencing with Section 100800).
- 36 (d) Expenditures for payment of architect fees for plans and  
37 drawings for library renovation and new construction, including,  
38 but not limited to, plans and drawings purchased more than five  
39 years prior to the submission of the application to the State

1 Librarian, may count towards the required 35 percent local funds  
2 contribution.

3 20034. (a) The estimated costs of a project for which an  
4 application is submitted shall be consistent with normal public  
5 construction costs in the geographic area of the applicant.

6 (b) An applicant wishing to construct a project having costs that  
7 exceed normal public construction costs in the area may apply for  
8 a grant in an amount not to exceed 65 percent of the normal costs  
9 up to a maximum of thirty million dollars (\$30,000,000) per project  
10 if the applicant certifies that it is capable of financing the remainder  
11 of the project costs from other sources.

12 20035. After an application is approved by the board and  
13 included in the request of the State Librarian to the committee, the  
14 amount of the funding to be provided to the applicant may not be  
15 increased. Any actual changes in project costs are the responsibility  
16 of the applicant. If the amount of funding that is provided is greater  
17 than the cost of the project, the applicant shall return that amount  
18 of funding that exceeds the cost of the project to the fund. If an  
19 applicant is awarded funding by the board, but decides not to  
20 proceed with the project, the applicant shall return all of the funding  
21 to the fund.

22 20036. (a) In reviewing applications, as part of establishing  
23 the priorities set forth in Section 20032, the board shall consider  
24 all of the following factors:

25 (1) The needs of urban, suburban, and rural areas.

26 (2) The age and condition of existing library facilities within  
27 an area.

28 (3) The degree to which existing library facilities are inadequate  
29 in meeting the needs of the residents in the library service area.

30 (4) The degree to which the proposed project responds to the  
31 needs of the residents in the library service area.

32 (5) The degree to which the library integrates appropriate  
33 electronic technologies into the proposed project.

34 (6) The financial commitment of the local agency submitting  
35 the application to open, operate, and maintain the proposed library  
36 project upon its completion.

37 (b) If, after an application has been submitted, material changes  
38 occur that would alter the evaluation of an application, the State  
39 Librarian may accept an additional written statement from the  
40 applicant for consideration by the board.



20037. (a) A facility, or any part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter shall be dedicated to public library direct service use for a period of at least 20 years following completion of the project.

(b) Any financial interest that the state may have in the land or facility, or both, resulting from the funding of a project under this chapter, as described in subdivision (a), may be transferred by the State Librarian through an exchange for a replacement site and facility acquired or constructed for the purpose of providing public library direct service.

(c) If the facility, or any part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter ceases to be used for public library direct service prior to the expiration of the period specified in subdivision (a), the board shall be entitled to recover from the grant recipient, or the successor of the recipient, an amount that bears the same ratio to the value of the facility, or appropriate part thereof, at the time it ceased to be used for public library direct service, as the amount of the original grant bore to the original cost of the facility, or appropriate part thereof. For purposes of this subdivision, the value of the facility, or appropriate part thereof, shall be determined by the mutual agreement of the board and the grant recipient or successor, or through an action brought for that purpose in the superior court.

(d) Notwithstanding subdivision (f) of Section 16724 of the Government Code, any money recovered pursuant to subdivision (c) shall be deposited in the fund, and shall be available for the purpose of awarding grants for other projects.

### Article 3. Fiscal Provisions

20038. Bonds in the total amount not to exceed four billion dollars (\$4,000,000,000), exclusive of refunding bonds issued in accordance with Section 20046, or so much thereof as is necessary, may be issued and sold for deposit in the fund to be used in accordance with, and for carrying out the purposes expressed in, this chapter, including all acts amendatory thereof and supplementary thereto, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of

1 California, and the full faith and credit of the State of California  
2 is hereby pledged for the punctual payment of both principal and  
3 interest on bonds as the principal and interest become due and  
4 payable.

5 20039. The bonds authorized by this chapter shall be prepared,  
6 executed, issued, sold, paid, and redeemed as provided in the State  
7 General Obligation Bond Law (Chapter 4 (commencing with  
8 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
9 Code), and all of the provisions of that law apply to the bonds and  
10 to this chapter and are hereby incorporated in this chapter as though  
11 set forth in full in this chapter, except Section 16727 of the  
12 Government Code to the extent that it may be inconsistent with  
13 this chapter.

14 20040. (a) For purposes of this chapter, the California Library  
15 Construction and Renovation Finance Committee established  
16 pursuant to Section 19972 is continued in existence and is the  
17 “committee” as that term is used in the State General Obligation  
18 Bond Law for the purpose of this chapter.

19 (b) For purposes of the State General Obligation Bond Law, the  
20 California Public Library Construction and Renovation Board of  
21 2008 established pursuant to Section 20023 is designated the board.

22 20041. The committee shall determine whether or not it is  
23 necessary or desirable to issue bonds authorized pursuant to this  
24 chapter in order to carry out the actions specified in this chapter,  
25 including all acts amendatory thereof and supplementary thereto,  
26 and, if so, the amount of bonds to be issued and sold. Successive  
27 issues of bonds may be authorized and sold to carry out those  
28 actions progressively, and it is not necessary that all of the bonds  
29 authorized to be issued be sold at any one time.

30 20042. There shall be collected each year and in the same  
31 manner and at the same time as other state revenue is collected,  
32 in addition to the ordinary revenues of the state, a sum in an amount  
33 required to pay the principal of, and interest on, the bonds each  
34 year. It is the duty of all officers charged by law with any duty in  
35 regard to the collection of the revenue to do and perform each and  
36 every act that is necessary to collect that additional sum.

37 20043. Notwithstanding Section 13340 of the Government  
38 Code, there is hereby appropriated from the General Fund in the  
39 State Treasury, for the purposes of this chapter, an amount that  
40 will equal the total of the following:

1 (a) The sum annually necessary to pay the principal of, and  
2 interest on, bonds issued and sold pursuant to this chapter, as the  
3 principal and interest become due and payable.

4 (b) The sum necessary to carry out Section 20044, appropriated  
5 without regard to fiscal years.

6 20044. For the purposes of carrying out this chapter, the  
7 Director of Finance may authorize the withdrawal from the General  
8 Fund of an amount or amounts not to exceed the amount of the  
9 unsold bonds that have been authorized to be sold for the purpose  
10 of carrying out this chapter. Any amounts withdrawn shall be  
11 deposited in the fund. Any money made available under this section  
12 shall be returned to the General Fund, with interest at the rate  
13 earned by the money in the Pooled Money Investment Account  
14 during the time the money was withdrawn from the General Fund  
15 pursuant to this section, from money received from the sale of  
16 bonds for the purpose of carrying out this chapter.

17 20045. The board may request the Pooled Money Investment  
18 Board to make a loan from the Pooled Money Investment Account  
19 or any other approved form of interim financing, in accordance  
20 with Section 16312 of the Government Code, for the purposes of  
21 carrying out this chapter. The amount of the request may not exceed  
22 the amount of the unsold bonds that the committee has, by  
23 resolution, authorized to be sold for the purpose of carrying out  
24 this chapter. The board shall execute any documents required by  
25 the Pooled Money Investment Board to obtain and repay the loan.  
26 Any amounts loaned shall be deposited in the fund to be allocated  
27 by the board in accordance with this chapter.

28 20046. Any bonds issued and sold pursuant to this chapter may  
29 be refunded by the issuance of refunding bonds in accordance with  
30 Article 6 (commencing with Section 16780) of Chapter 4 of Part  
31 3 of Division 2 of Title 2 of the Government Code. Approval by  
32 the electors of the state for the issuance of bonds under this chapter  
33 shall include the approval of the issuance of any bonds issued to  
34 refund any bonds originally issued or any previously issued  
35 refunding bonds.

36 20047. Notwithstanding any other provision of this chapter,  
37 or of the State General Obligation Bond Law, if the Treasurer sells  
38 bonds pursuant to this chapter that include a bond counsel opinion  
39 to the effect that the interest on the bonds is excluded from gross  
40 income for federal tax purposes, subject to designated conditions,

1 the Treasurer may maintain separate accounts for the investment  
2 of bond proceeds and for the investment earnings on those  
3 proceeds. The Treasurer may use or direct the use of those proceeds  
4 or earnings to pay any rebate, penalty, or other payment required  
5 under federal law or take any other action with respect to the  
6 investment and use of those bond proceeds required or desirable  
7 under federal law to maintain the tax-exempt status of those bonds  
8 and to obtain any other advantage under federal law on behalf of  
9 the funds of this state.

10 20048. All money deposited in the fund that is derived from  
11 premium and accrued interest on bonds sold pursuant to this chapter  
12 shall be reserved in the fund and shall be available for transfer to  
13 the General Fund as a credit to expenditures for bond interest.

14 20049. The Legislature hereby finds and declares that,  
15 inasmuch as the proceeds from the sale of bonds authorized by  
16 this chapter are not "proceeds of taxes" as that term is used in  
17 Article XIII B of the California Constitution, the disbursement of  
18 these proceeds is not subject to the limitations imposed by that  
19 article.

20 20049.5. Amounts deposited in the fund pursuant to this chapter  
21 may be appropriated in the annual Budget Act to the State Librarian  
22 for the actual amount of office, personnel, and other customary  
23 and usual expenses incurred in the direct administration of grant  
24 projects pursuant to this chapter, including, but not limited to,  
25 expenses incurred by the State Librarian in providing technical  
26 assistance to an applicant for a grant under this chapter.

27 SEC. 2. (a) Section 1 of this act shall take effect upon the  
28 adoption by the voters of the California Reading and Literacy  
29 Improvement and Public Library Construction and Renovation  
30 Bond Act of 2008, as set forth in Section 1 of this act.

31 (b) Section 1 of this act shall be submitted to the voters at the  
32 2008 statewide primary election in accordance with provisions of  
33 the Elections Code and the Government Code governing  
34 submission of statewide measures to voters.

35 SEC. 3. (a) Notwithstanding any other law, all ballots of the  
36 election shall have printed thereon and in a square thereof, the  
37 words: "California Reading and Literacy Improvement and Public  
38 Library Construction and Renovation Bond Act of 2008" and in  
39 the same square under those words, the following in 8-point type:  
40 "This act provides for a bond issue in an amount not to exceed a

1 total of four billion dollars (\$4,000,000,000) to provide funds for  
2 the construction and renovation of public library facilities in order  
3 to expand access to reading and literacy programs in California's  
4 public education system and to expand access to public library  
5 services for all residents of California." Opposite the square, there  
6 shall be left spaces in which the voters may place a cross in the  
7 manner required by law to indicate whether they vote for or against  
8 the act.

9 (b) If the voting in the election is done by means of voting  
10 machines used pursuant to law in the manner that carries out the  
11 intent of this section, the use of the voting machines and the  
12 expression of the voters' choice by means thereof are in compliance  
13 with this section.